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C O N F I D E N T I A L SECTION 01 OF 02 QUITO 002869

SIPDIS

E.O. 12958: DECL: 10/25/2014 TAGS: <u>PGOV KDEM KCOR PREL EC</u>

SUBJECT: "POWER-BLINDED" LFC DRIVES IMPEACHMENT PUSH

REF: GUAYAOUIL 1231

Classified By: Ambassador Kristie A. Kenney, Reasons 1.4 (b), (d)

11. (C) SUMMARY: Leon Febres-Cordero (LFC), the cantankerous leader of Ecuador's Social Christian Party (PSC), is determined to destroy President Lucio Gutierrez by any means possible, according to two thoughtful PSC legislators. Brothers Luis Fernando Torres and Carlos Torres, the former the head of Congress's Constitutional Affairs committee, claim the facts do not support charges of embezzlement, on which LFC has based the current impeachment effort (reftel). Yet Febres-Cordero has ordered the PSC legislative contingent to begin lobbying other blocs in support of the trumped-up charges. In cahoots with newfound ally Vice President Alfredo Palacio, LFC is offering lavish gifts to independent and small party congressman, whose yes votes are needed to remove the sitting president. Despite dissension in the ranks and chafing at Febres-Cordero's "counterproductive" instructions, the brothers claimed PSC legislators were unlikely to break ranks. In a same day conversation with Ambassador Kenney, however, Minister of Government Raul Baca believed PSC "rebels" were ripe for recruitment. END SUMMARY.

Congressmen Swallow Hard and March Forward

- 12. (U) Poloff joined the siblings October 27 for a working breakfast, covering upcoming U.S. elections, ongoing U.S.-Ecuador free trade talks, and the Colombia-Ecuador relationship. Yet Ecuador's current bout of political instability, more specifically Febres-Cordero's attempt to impeach Gutierrez, dominated the discussion. Media had reported correctly that PSC legislators had not introduced an impeachment motion the previous day, as was widely expected. It would be introduced October 27, Luis Fernando revealed, a fact that clearly troubled him.
- 13. (U) The motion was pure Febres-Cordero he hadn't bothered to consult beforehand with fellow party members or the PSC Congressional leadership. In reality, the bloc leader, Pascual del Cioppo, was only a figurehead, since LFC called all shots. There was little rank-and-file Social Christian support for impeachment, Luis Fernando claimed, but legislators, especially first-termers and those running for re-election in 2006, feared angering the irascible Leon (not ironically, "lion" in English). There would be no PSC dissenters in Congress.
- 14. (U) LFC wanted Gutierrez imprisoned or exiled, Luis Fernando asserted. The reasons were many, ranging from Gutierrez cousin Renan Borbua's insults toward the PSC leader to recent GoE efforts to collect seven-figure debts from LFC's brother. Febres-Cordero thus had chosen embezzlement as the focus of the impeachment motion. Were a majority of legislators to "admit" the charges (a grand jury-like determination of probable cause to investigate), Ecuadorian law mandated preventative detention for the accused chief executive. Were this to occur, Gutierrez would have no political pulse; his removal from office would be gravy, but not imperative.
- 15. (U) Little proof existed to substantiate LFC's accusations, Carlos noted. There were photos of Gutierrez with candidates from his Patriotic Society party (PSP), handing out embossed T-shirts and calendars, but little else. His many trips in the run-up to Ecuador's October 17 local elections always featured official business, whether inaugurating public works or promising others. Media were claiming that fellow large parties ID and Pachakutik too supported impeachment, guaranteeing the 51 votes to admit. What they were not emphasizing, Luis Fernando explained, was that these organizations wanted Gutierrez's head for other reasons, including his "neo-liberal" economics and gringo "kowtowing." Pachakutik and ID support for the PSC's motion thus was not certain.
- 16. (U) Social Christian legislators had impeachment marching orders, however, and were following them. Luis Fernando himself had swallowed his personal beliefs and, in remarks to Quito daily El Comercio October 26, "sold" LFC's arguments and exclaimed that "in the course of the proceedings, we hope other parties will join us in seeking the president's dismissal." Worse, Febres-Cordero was targeting potential turncoat independent legislators with big

payoffs. Gutierrez and the PSP already had sent large sums their way; LFC likely would have to pay double to turn them. VP Palacio, whom LFC now supported to complete Gutierrez's term, had joined the PSC leader in the recruitment effort. 17. (U) Despite his advanced age, Febres-Cordero sought a second presidential term, Luis Fernando argued. The ex-president (1984-88) was bolstered enormously by recent press accounts that credited him with the PSC's strong showing in the October 17 vote. LFC's political maneuverings to remove Gutierrez had delivered him the spotlight, boding well for his comeback attempt. Regrettably, no PSC luminary would challenge Febres-Cordero, Carlos revealed. Guayaquil Mayor Jaime Nebot, who had the charisma and credentials to do so, was awaiting a biological solution (LFC's death) before seeking the presidency again.

Political Veteran Sees Chinks in PSC Armor

18. (C) More optimistic, Minister of Government Raul Baca believes Gutierrez will weather this crisis as he has the dozen before it. In an October 27 meeting with the Ambassador, Baca expressed doubts that LFC could enforce party discipline during impeachment proceedings. An obvious PSC schism existed, the minister explained. Over the long Ecuadorian weekend (October 30-November 3), he intended to wear out his Rolodex, seeking Social Christian and other party support for the president's defense. Baca's talking points were two: Gutierrez had not embezzled public funds, and further political instability spelled disaster for Ecuador.

COMMENT:

19. (C) Though twenty-five years a democracy, Ecuador suffers from political parties rooted firmly in the strongman era. The PSC is the perfect example; despite a plethora of able, modern politicians, Febres-Cordero remains the iron fist, those daring to challenge him rapidly returning to the private sector. Legendary for his "palanca" (connections) LFC also enjoys deep pockets, and buying allegiances from Ecuador's Congressional Hessians is no Herculean labor. (connections), do we question his ability to deliver the PSC legislative bloc's impeachment votes en masse, despite Baca's contrary opinion. Yet we join Luis Fernando Torres in doubting blind Pachakutik/ID support for the PSC motion. These are left-leaning organizations; right-winger Febres-Cordero, who regularly reminisces about his "close" friendship with former President Reagan, is even less welcome in their confines than political chameleon Gutierrez. And pragmatically, allowing the PSC to shape removal proceedings would give Febres-Cordero the upper hand in organizing the successor government, anathema to Ecuador's political left. END COMMENT KENNEY